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NSC BRIEFING

12 August 1954

INDOCHINA

I. Evident Viet Minh power increasing  
in "retained-Vietnam."

A. Diem government's lack of  
popular appeal indicated by  
French report:

1. In one long-established  
Saigon firm, all but 10 of  
250 good-salaried employees  
stated that, in elections,  
would unhesitatingly vote  
for "national hero" Ho.

B. Viet Minh not putting dependence  
on such popularity alone; taking  
direct action, forthright control.

1. Reportedly setting up shadow governments in southern villages; boasting "in Saigon in six months."

C. Diem trying to win support, but task almost insuperable:

1. Foreign minister trying gain aid of Cochinchina warlords, but they standing pat.
2. Nationalists want to dump Bao Dai, but Diem reluctant, since might raise question his government's legitimacy.

D. French summary Diem's probable future: "courageous, virtuous and rapid collapse."

II. Increasing possibility French may be able continue "presence" in northern Vietnam, even under Viet Minh.

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A. French businessmen in Tonkin  
apparently confident they can  
continue there.

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